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## **OLR Bill Analysis**

### **SB 455**

#### ***AN ACT CONCERNING THE CITIZENS' ELECTION FUND.***

##### **SUMMARY:**

By law, grants for candidates participating in the Citizens' Election Program (CEP) are made from the Citizens' Election Fund (CEF). This bill requires revenue from the corporation business tax to be deposited into the CEF whenever there are insufficient funds during the election cycle to cover grants to CEP candidates. The amount deposited must equal the difference between the amount in the CEF and the amount required to pay CEP grants.

The bill also (1) eliminates the current procedure for addressing insufficient grant funds and (2) allows the State Elections Enforcement Commission (SEEC) to use funds in the CEF's reserve account if the fund is insufficient.

**EFFECTIVE DATE:** Upon passage and applicable to primaries or elections held on or after that date.

##### **PROCEDURE FOR ADDRESSING INSUFFICIENT FUNDS**

By law, SEEC must determine, by January 1 in a state election year, whether there is enough money in the CEF to provide grants to CEP candidates. Under current law, if SEEC determines that there are insufficient CEF funds to fully cover the grants, it has three days to recalculate the amount of money qualified candidates can receive, on a proportionate basis, and notify the candidates. After the candidates receive their share of money from the fund, they can accept contributions that are not subject to qualifying contribution limits and restrictions and spend up to the highest amount that a nonparticipating opponent spends.

The bill eliminates this procedure and instead requires that revenue

from the corporation business tax be deposited into the CEF whenever there are insufficient funds to cover grants to CEP candidates. It appears that SEEC can make this determination at any point during the election cycle; the procedure in current law is based on a determination SEEC makes by January 1 in a state election year.

The bill makes a similar change concerning the use of funds in the CEF's reserve account. Under current law, SEEC may use the reserve account only during the seven days before a primary or election for payments to candidates whose grants were reduced. The bill instead allows SEEC to use the reserve account during this time period if the CEF is insufficient.

The CEF is funded mostly by a statutorily determined amount of proceeds from the sale of abandoned property that escheats (reverts) to the state. (The fund may also receive voluntary contributions, surplus donations from candidate committees, and proceeds from its own investment earnings.) The law, unchanged by the bill, requires corporation business tax revenues to be deposited into the fund when, in any fiscal year, there are insufficient abandoned property funds to transfer to the CEF. The amount deposited must equal the difference between the statutorily required transfer of abandoned property funds and the amount actually transferred.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea     10     Nay     4     (03/24/2014)